

1 **MINUTES**

2 Policemen's Pension and Relief Fund

3 Thursday, February 9, 2012

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5 On Thursday, February 9, 2012 at approximately 9:00 a.m., a meeting of the Board of Trustees of the
6 Policemen's Pension and Relief Fund of the City of Little Rock, Arkansas was held in the Sister Cities
7 Conference Room at City Hall.

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10 **Agenda Item #1. Call to Order/Roll Call**

11 [00.00.00 into the pension audio]

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13 The Chairman called the meeting to order at approximately 9:00 hours and certified that a
14 quorum of the Board was present. The Roll Call was as follows:

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PRESENT: Sara Lenehan Acting Chairman (Treasurer)
Steve Young Secretary
Farris Hensley Member
Lee Harrod Member
Don Wood Member
Rusty Watson Member

ABSENT: Bruce Moore Chairman

16 Also present were Ms. Joan Adcock, of the City Board of Directors; Mr. Alex Jordan, and Mr.
17 Larry Middleton of Stephens Capital Management, Financial Consultants for the Fund; Mr.
18 Roger Smith, Lobbyist; and Ms. Debbie Pharr and Ms. Kathy Lindsey, of the Pension Fund
19 Administrative Staff.

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21 **Agenda Item #2. Notification of News Media.**

22 [00.00.10 into the pension meeting audio.]

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24 The Chairman noted that the media had been properly notified in a letter to the Arkansas
25 Democrat Gazette dated January 30, 2012.

26 **Agenda Item #3. Exigent Business.**

27 [00.30.01 into the pension meeting audio.]

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29 [No exigent business was presented]

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31 **Agenda Item #4. Approval of the January Regular Meeting Minutes**

32 [00.30.07 into the pension meeting audio.]

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34 Mr. Hensley made a motion to make a change in the Minutes on page 3 on line 122 which
35 quoted Mr. Hensley as stating, "I was rather disappointed in the explanation but I feel it is
36 time to move forward and, if there is ever a problem in the future, we can address it at that
37 time, I suppose" to be replaced with the unquoted statement that Mr. Hensley previously
38 provided the Secretary that reads "Mr. Hensley stated he was rather disappointed in the

explanation, but thought it was time to move on.” Mr. Harrod seconded the motion that was approved by the Board. Mr. Hensley then made a motion to approve the January minutes as amended that was seconded by Mr. Watson and approved by a unanimous vote of the Board.

Agenda Item #5. Report from Board Legal Consultant

[00.33.12 into the pension meeting audio.]

Legal counsel was not present; however, Ms. Lenehan stated that both the Board’s legal counsel and the City Attorney will be present during our March meeting.

Agenda Item #6. Report from Board Financial Consultant [Out of Agenda Order]

[00.00.27 into the pension meeting audio]

A. January Financial Report —Mr. Alex Jordan, Financial Consultant for the Fund, gave the January 2012 financial report and stated that on January 31, 2012, the market value of the total Fund was \$43,150,312.38, not including accrued income of \$44,048. Of that amount, \$23,869,606.82 was allocated to DROP and the Fund’s non-DROP portion was \$19,280,705.56. This represents a decrease in the account balance of \$387,365 since December 31, 2011 total amount of \$43,471,441. The component of this change was unrealized income of \$65,148.69 and net contributions/withdrawals of \$(1,497,964.28). [Note: The amounts quoted in the previous sentence are drawn from figures available in other sections of the financial report and are not presented for computational value.] The Fund’s overall market rate of return for the month of January 2012 was 2.67% and 3.92% calendar year to date.

B. Scheduling of pension board meetings [00.27.15 into the pension meeting audio] — Ms. Lenehan mentioned the possibility of moving the pension meetings to the third Thursday of the month to facilitate the financial report and the attendance at future meetings by Mr. Moore. Mr. Harrod made a motion to move the meetings to the third Thursday of the month and Mr. Watson seconded the motion that was passed by a unanimous vote of the Board.

Agenda Item #7. Report of Board Lobbyist

[00.33.36 into the pension meeting audio]

Mr. Smith mentioned the lawsuit against LOPFI and stated that the issue of their release of social security numbers to legislative audit will have to play out in the State courts. He also stated there was no substantive legislation from the pension retirement boards for the next legislative session at this time.

Agenda Item #8. Report of Funding Committee

[00.49.16 into the pension meeting audio]

Mr. Young stated he contacted Mr. Mike Lowery, PCSO Chief Deputy, as was requested by the Board who stated that Pulaski County collected only 5.7% of the total warrant fees authorized by law from defendants. The subsequent discussion of that fact led Mr. Hensley to make a motion that our Board investigate the amount of fines assessed, waived, and collected by Little Rock Courts because the pension fund gets 10% of such fines. Ms. Adcock also requested the City to provide the Board with the results of all sources of income for the pension fund to insure compliance with the collection of such funds as well as providing the total number of warrants to be served. Mr. Harrod seconded that motion that passed by unanimous vote of the Board.

Mr. Harrod suggested that, because the City's sales tax proposal stated our pension fund would get "at least" \$500,000 per year, the Board should ask the state actuary how much additional funding would be required to allow a merger with LOPFI with a 3% COLA. Ms. Adcock suggested that the pension board wait until June to make any such a request to allow the City time to determine if the proceeds from that sales tax are above the amounts expected. After further discussion, a motion was made by Mr. Harrod that the Board invite the State Actuary and PRB Executive Director to our next pension board meeting. That motion was seconded by Mr. Hensley and passed by a unanimous vote of the Board.

Agenda Item #9. Report from Board Chairman

[01.23.51 into the pension meeting audio]

[Chairman was not in attendance]

Agenda Item #10. Report from Board Secretary

[01.23.55 into the pension meeting audio.]

The Secretary stated that a new version of Robert's Rules of Order was now available and made a motion that the administrative staff be directed to purchase whatever number of such publications that cost \$12.12 the members of the Board may request. Mr. Hensley seconded the motion that was passed by a unanimous vote of the Board and only Mr. Young and Mr. Watson wanted the new publication.

Agenda Item #11. Report from Board Treasurer

[01.28.37 into the pension meeting audio.]

A. Financial Reports for December and January —

December: The Treasurer submitted copies of the un-audited financial report for December 31, 2011. Net Income/Loss to the plan year to date was (\$4,606,930). The report indicated that as of December 31, 2011, the total account fund balance including the DROP was \$44,400,442. The net income/loss for the month of December was \$337,462.

There was no expense or legal fee report submitted for December 2011.

January [01.40.35 into the pension meeting audio]: The Treasurer submitted copies of the un-audited financial report for January 31, 2012. Net Income/Loss to the plan year to date was \$473,788. The report indicated that as of January 31, 2012, the total account fund balance including the DROP was \$44,874,230. The net income/loss for the month of January was \$473,788.

Also submitted were copies of the January 2012 expense and legal fee reports. Total expenditures, excluding benefit related expenses, were \$4,227.24 for the month and \$4,227.24 year to date. Legal fees paid were \$180.00 year to date.

Following the review of the December and January financial and expense reports, Mr. Hensley made a motion to approve them as submitted that was seconded by Mr. Young. The motion passed by a unanimous vote of the Board.

B. Report on change of membership status — there was no change to report.

C. Response to question concerning the Treasurer's email notification. After considerable discussion of that issue, Mr. Harrod made a motion [02.07.31 into the pension meeting audio] to move onto Item #12 on the Board's agenda and Mr. Hensley seconded that motion that was passed by the Board.

Agenda Item #12. Board Member Topics of Discussion

[02.15.54 into the pension meeting audio]

[There were no Board Member Topics of Discussion]

Agenda Item #13. Fund Members Comments

[No pension fund members other than those on the Board were present.]

Agenda Item #14. Other Business [Out of Agenda Order]

[02.07.46 into the pension meeting audio]

Ms. Adcock thanked Mr. Young for his article about her on the Little Rock Police Pension News website and then left the pension meeting because it was her birthday.

Mr. Watson asked if the audit of the pension beneficiary's idea proposed by our Board was presented to the Fire Pension Fund and Ms. Lenehan stated it was and that the Fire Pension Fund asked the City Attorney to provide a report at their next meeting but was very supportive of the idea.

Mr. Hensley mentioned that our fund should consider not prohibiting widows from drawing a pension if they remarry during our next pension board meeting.

Agenda Item #15. Adjourn Meeting

[02.15.55 into the pension meeting audio.]

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165 The meeting was adjourned by unanimous consent at approximately 11:15 am.

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169 Respectfully Submitted,

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171 Lee Harrod

172 Board Secretary

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